



ASX Announcement | 19 February 2021
Noxopharm Limited (ASX:NOX)

19 February 2021

Sydney, Australia

Option Underwriting Agreement to Secure Funds

- Unexercised options to be underwritten to ensure NOX receives A\$3,697,500 cash injection
- 12.325m A\$0.30 unlisted options expiring 28 February 2021 presently remain unexercised
- The unquoted options were issued to the initial pre-IPO shareholders
- Additional funds to further strengthen cash position and provide additional support for the Veyonda clinical program

Sydney 19 February 2021: Australian clinical-stage drug development company Noxopharm Limited (ASX:NOX) (NOX or the Company) is pleased to announce that it has entered into an underwriting agreement in respect of a number of the 22.586 million unquoted options issued to the initial pre-IPO investors in the Company which remain unexercised.

These unquoted options (**Options**) have an expiry date of 28 February 2021 and an exercise price of \$0.30 each and on issue convert into ordinary fully paid shares in the Company (**Shares**).

In summary, up to today, of the 22.586 million unquoted options originally issued, 10.261 million options have been exercised, leaving 12.325 million presently unexercised.

The underwriting agreement (**Underwriting Agreement**) is with Canaccord Genuity (Australia) Limited (**Underwriter**) and pertains to the 12,325,000 options yet to be exercised up to an amount of \$3,697,500.

NOX has entered into the Underwriting Agreement as a means of ensuring that the Company receives the full amount of funds from the exercise of the Options, adding to its cash position as its Veyonda[®] drug candidate enters a critical pre-commercial stage of development.

The Underwriting Agreement contains indemnities and warranties usual for an agreement of this nature with the material terms and conditions set out below.

In accordance with ASX Listing Rule 3.11.3, the Company advises that the Underwriter is not a related party of the Company and will be paid a fee of 6% (excluding GST) of the funds the Underwriter is required to pay the Company for the subscription of Shares in respect of any Options which are unexercised at the expiry date (**Shortfall Shares**).



Any Shortfall Shares to be issued to the Underwriter (or its nominees) will be issued in accordance with ASX Listing Rule 7.2 (Exception 10) and therefore shareholder approval will not be sought.

The Underwriting Agreement is subject to the other following material terms:

1. the Underwriter may nominate sophisticated or professional investors to sub-underwrite the exercise of the Options; and
2. the events of default are set out in the schedule to this announcement.

Graham Kelly, CEO and Managing Director of Noxopharm, has approved the release of this document to the market on behalf of the Board of Directors.

-ENDS-

Schedule – Underwriting Agreement Events of Default

The obligation of the Underwriter to underwrite the exercise of the Options is subject to certain events of termination. The Underwriter may terminate its obligations under the Underwriting Agreement if one or more of the following occurs:

- (a) **(Timetable)** any event specified in the timetable in the Underwriting Agreement (**Timetable**) is delayed for more than 3 business days, without the prior written approval of the Underwriter;
- (b) **(withdrawal)** the Company elects not to continue with the underwriting of the Options;
- (c) **(allotment)** the Company is prevented from allotting and issuing the Shortfall Shares in accordance with the Underwriting Agreement and the Timetable;
- (d) **(failure to comply)** the Company or any related corporation fails to comply with any of the following which causes a material adverse effect:
 - (i) a provision of its constitution;
 - (ii) any statute;
 - (iii) a requirement, order or request, made by or on behalf of the ASIC or any Governmental agency; or
 - (iv) any material agreement entered into by it;
- (e) **(alteration of capital structure or constitution)** the Company alters its capital structure or its constitution without the prior written consent of the Underwriter;
- (f) **(Certificate)** the certificate required to be furnished by the Company under the Underwriting Agreement is:
 - (i) not furnished when required; or
 - (ii) is untrue, incorrect or misleading;
- (g) **(ASIC investigation)** ASIC:
 - (i) holds, or gives notice of intention to hold, a hearing or investigation in relation to the Shortfall Shares or the Company; or
 - (ii) prosecutes or gives notice of an intention to prosecute, or commences proceedings against, or gives notice of an intention to commence proceedings against, the Company or any of its directors, officers, employees or agents in relation to the Shortfall Shares, and such hearing,



notice, investigation, prosecution or proceeding is not withdrawn or discontinued before the Shortfall Share settlement date;

- (h) **(delisting)** ASX announces that the Shares will be removed from quotation, withdrawn from admission to trading status or suspended from quotation;
- (i) **(ASX listing)** official quotation has not been applied for in respect of the Shortfall Shares by 10.00am on the Shortfall Share settlement date, or having been applied for, is subsequently withdrawn, qualified or withheld;
- (j) **(adverse change)** any material adverse change or effect occurs, or an event occurs which is likely to give rise to a material adverse change or effect, in the condition (financial or otherwise), assets, earnings, business, affairs, liabilities, financial position or performance, results of operations, profits, losses or prospects of the Company or a related corporation from that existing at the date of the Underwriting Agreement;
- (k) **(Event of Insolvency)** an event of insolvency occurs in respect of the Company or a related corporation or there is an act or omission which may result in an event of insolvency occurring in respect of the Company or a related corporation;
- (l) **(extended Force Majeure)** a force majeure event, which prevents or delays an obligation under the Underwriting Agreement, lasting in excess of 2 weeks occurs;
- (m) **(investigation)** any person is appointed under any legislation in respect of companies to investigate the affairs of the Company or a related corporation;
- (n) **(Prescribed Occurrence)** a Prescribed Occurrence (defined in the Underwriting Agreement) occurs;
- (o) **(suspension of debt payments)** the Company suspends payment of its debts generally;
- (p) **(litigation)** litigation, arbitration, administrative or industrial proceedings are after the date of the Underwriting Agreement commenced against the Company or any related corporation;
- (q) **(Board and senior management composition)** there is a change in the composition of the Board or a change in the senior management of the Company before the issue of the Shortfall Shares without the prior written consent of the Underwriter;
- (r) **(breach of material contracts)** any material contract to which the Company or a related corporation is a party is terminated or substantially modified;
- (s) **(banking facilities)** the Company's bankers terminating or issuing any demand or penalty notice or amending the terms of any existing facility or claiming repayment or accelerated repayment of any facility or requiring additional security for any existing facility;
- (t) **(proceedings)** proceedings are commenced or there is a public announcement of an intention to commence proceedings before a court or tribunal of competent jurisdiction in Australia seeking an injunction or other order in relation to the Company's ability to agree to and complete the Underwriting Agreement;
- (u) **(default)** the Company is or becomes in default of any of the terms and conditions of the Underwriting Agreement or a representation or warranty given by the Company is or becomes false or incorrect;
- (v) **(due diligence)** the information supplied by or on behalf of the Company to the Underwriter including as part of the due diligence activities is, or the results of the due diligence activities are, in the reasonable opinion of the Underwriter, false, misleading or deceptive (including by omission);
- (w) **(indictable offence)** any director of the Company or any related corporation is charged with an indictable offence or any director of the Company is disqualified from managing a corporation under the Corporations Act;
- (x) **(fraud)** the Company or any of its directors or engage in any fraudulent conduct or activity;
- (y) **(financial markets)** any adverse change or disruption to the existing financial markets, political or economic conditions of Australia, the United States of America, Hong Kong, the United Kingdom, Canada, China,



- Singapore, New Zealand, Russia, Indonesia, Malaysia or Thailand from those existing at the date of the Underwriting Agreement;
- (z) **(hostilities)** there is an outbreak or escalation of hostilities in any part of the world, whether war has been declared or not, or an act or acts of terrorism, involving one or more of any one or more of Australia, the United States, Hong Kong, China, Canada, North Korea, South Korea, any member country of the European Union, Singapore, New Zealand, Japan, Russia, Indonesia, Malaysia or Thailand;
 - (aa) **(national emergency)** a national emergency is declared by Australia or there is a material escalation of a pandemic or an epidemic such as novel coronavirus, a recurrence of severe acute respiratory syndrome or an outbreak of swine or avian influenza;
 - (bb) **(change in laws)** there is introduced, or there is an official public announcement of a proposal to introduce, a new law in Australia or any State of Australia, or the Reserve Bank of Australia, or any Australian Commonwealth or State authority, adopts or announces a proposal to adopt a new, or any major change in, existing, monetary, taxation, exchange or fiscal policy (other than a law or policy which has been announced prior to the date of the Underwriting Agreement);
 - (cc) **(moratorium)** a general moratorium on commercial banking activities in Australia, the United States, Hong Kong, the United Kingdom, China, Canada, Japan, any member state of the European Union, Singapore or New Zealand is declared by the relevant central banking authority in any of those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries, for more than one business day;
 - (dd) **(suspension of trading)** trading of securities quoted on ASX, the London Stock Exchange or the New York Stock Exchange is suspended, or there is a material limitation in trading, for more than one business day on which the exchange is open for trading; or
 - (ee) **(judgment against a related corporation)** a judgment in an amount exceeding \$150,000 is obtained against the Company or a related corporation and is not set aside or satisfied within 7 days.

About Noxopharm

Noxopharm Limited (ASX:NOX) is an Australian clinical-stage drug development company focused on the treatment of cancer and cytokine release syndrome/septic shock.

Veyonda is the Company's first pipe-line drug candidate currently in Phase 2 clinical trialing. Veyonda has three main drug actions – highly selective inhibition of sphingosine kinase, STING signaling and autophagy. Sphingosine kinase inhibition contributes to its dual-acting oncotoxic and immuno-oncology functions designed to enhance the effectiveness and safety of standard oncology treatments, i.e., chemotherapies and immune checkpoint inhibitors; STING signaling inhibition provides an anti-inflammatory effect, contributing to an anti-cancer action, but also potentially blocking sepsis; autophagy inhibition is believed to augment the immunotherapy effect of radiotherapy, in particular the triggering of an abscopal response.

Noxopharm also is the major shareholder of US biotechnology company Nyrada Inc (ASX:NYR), and wholly owns Pharmorage, a private drug development company focused on drug development in the areas of sepsis and autoimmunity.

To learn more visit: <https://www.noxopharm.com/>

**Investor & Corporate enquiries:**

Prue Kelly

M: 0459 022 445

E: info@noxopharm.com

Company Secretary:

David Franks

T: +61 2 8072 1400

E: David.Franks@automicgroup.com.au

Media Enquiries

Julia Maguire

The Capital Network

E: julia@thecapitalnetwork.com.au

T: + 61 2 8999 3699

Forward Looking Statements

This announcement may contain forward-looking statements. You can identify these statements by the fact they use words such as “aim”, “anticipate”, “assume”, “believe”, “continue”, “could”, “estimate”, “expect”, “intend”, “may”, “plan”, “predict”, “project”, “plan”, “should”, “target”, “will” or “would” or the negative of such terms or other similar expressions. Forward-looking statements are based on estimates, projections and assumptions made by Noxopharm about circumstances and events that have not yet taken place. Although Noxopharm believes the forward-looking statements to be reasonable, they are not certain. Forward-looking statements involve known and unknown risks, uncertainties and other factors that are in some cases beyond the Company’s control that could cause the actual results, performance or achievements to differ materially from those expressed or implied by the forward-looking statement.